

Washington's Mideast plan has begun to backfire

by Judith Wyer and Thierry Lalevée, Middle East Editor

The resumption of Israeli air strikes against Lebanon which have hit Syrian anti-aircraft missile installations was the opener to what *EIR* has predicted will be phase II of the bloody Lebanese crisis, and a broader collapse of what is left of stability in the Mideast.

Unless President Reagan overrules Secretary of State George Shultz and his top adviser Henry Kissinger and uses all the leverage he can to compel Israel to negotiate a settlement now over the West Bank and Gaza equitable to the Palestinians and Jordan, Sharon will go on a rampage, tearing Lebanon apart and spreading chaos elsewhere. The Shultz-Kissinger "peace plan," as we reported last week, is a step-by-step blueprint for pre-empting any real diplomatic solutions."

Without decisive American action in the tradition of Eisenhower's during the 1956 Suez affair, Lebanon is headed for brutal fragmentation along the lines of the partition Kissinger pushed during the 1975 civil war. The illegal election of the Falangist gang leader Bashir Gemayel now threatens to spark sectarian violence in Lebanon.

It was in this climate that Reagan delivered the Sept. 1 initiative calling for Jordan to enter the Camp David talks, as a representative of the Palestinians. Though Mr. Reagan may naively believe the plan he unveiled will bring peace to the region, the Shultz-Kissinger team views the chaos which an unrestrained Israel will spark as creating the necessity for the same Kissingerian crisis-management which has unraveled the region over the past decade and brought the world two oil hoaxes.

Pressuring the Saudis

The annual Arab League heads-of-state summit at Fez Morocco began Sept. 6 under unusually secretive conditions and lasted an unusual four days. Saudi Arabia is reported to have disbursed vast sums of money to win the 14 Arab leaders there to a stance compatible with the warmed-over Camp

David formula that Reagan presented.

Riyadh has offered \$15 billion to Syrian President Hafez Assad to pull his 30,000 troops out of Lebanon. The Saudis are calculating that if they can somehow buy off Assad and get a Syrian withdrawal, the United States will succeed in pressuring Israel to withdraw from Lebanon. Huge amounts of cash are also said to be floating President-elect Bashir Gemayel's way to break him away from alliance with Israel.

The court of Saudi Arabian King Fahd was acting out of a mounting concern that if some breakthrough on the Mideast peace front is not soon delivered by Washington, he will find himself unable to fend off internal and external challenges to his regime which bases itself on an alliance with the U.S.

The Sept. 9 communiqué from Fez offered a formulation which for the first time spells out de facto Arab recognition of Israel. The summit also agreed to send a delegation to Washington next month to compare peace proposals.

Not long before Reagan's Sept. 1 speech, Riyadh was delivered a set of written pledges from Washington with respect to furthering the peace effort. It is thought that among those pledges was a commitment by the United States to oust the Begin regime and replace it with a government probably headed by opposition Labour Party chief Shimon Peres. But a European diplomat with long experience in the Mideast says that the Begin regime is confident the United States will not "pull an Eisenhower on Israel," and therefore Israel will escalate its drive to capture all of south Lebanon and increase terror on the West Bank to push the Palestinians into Jordan.

'Breakaway ally'

Begin easily got through a vote of confidence during a special Knesset debate Sept. 8 called by the Labour Party. The 50-to-36 vote signified the support Begin enjoys for rejecting the U.S. demand to turn over parts of the West Bank and Gaza to Jordan. By calling for elections in mid-1983, two years early, Begin boasted to the Knesset that he intends

to continue his policy of slow annexation.

The game is to have Israeli politics revolve around an agenda—the Reagan “initiative”—set by Kissinger, eliminating the possibility of a faction emerging in Israel promoting a regional peace package based on economic development. The battle lines emerging are the “pro-Reagan” faction, led by Labour Party leader Shimon Peres, who is calling for a national debate on the issue, and the “anti-Reagan” faction, associated with Prime Minister Begin but really led by Defense Minister Sharon. Under these circumstances, the many Israelis who are genuinely suspicious of Kissinger, Shultz, and their “peace plan,” are herded to follow the lunatic Sharon. Polls in Israel show that, if an election were to be held at this time, Begin would easily win.

Two days earlier, the Israeli cabinet had announced it had approved funding for construction of 10 new settlements on the West Bank. The plan, which came out of a proposal submitted by the newly named Minister of Technology, Yuval Neeman, one of Sharon’s fiercest supporters, also calls for moving Israeli high technology firms to the West Bank for the first time.

Since Reagan’s speech, Sharon has ordered a violent escalation against the Palestinian Arabs on the West Bank. The announcement of the establishment of the first three settlements in the militant Palestinian town of Hebron sparked strikes. Sharon aims to push Palestinians out of the West Bank and Gaza into Jordan, which Sharon has declared “the Palestinian state.”

In Lebanon, Sharon and Shamir have stated that unless Gemayel signs a peace treaty with Israel, Israel will not pull its forces out of south Lebanon. But the Saudi-backed Muslims of West Beirut who opposed Gemayel’s election are saying that they will fight Gemayel if he accedes to Israel’s pressure to sign a peace treaty. Sharon has personally overseen the outright takeover of the economy of southern Lebanon, distributing the profit from the highly lucrative drug trade there among his mafioso partners, Meyer Lansky and Meshulam Riklis.

On Sept. 6 Sharon declared that if Gemayel did not agree to sign a peace treaty with Israel, Lebanon would have a “different status,” i.e., Israel would not withdraw its troops. Israeli troops are already fully prepared to stay in Lebanon through the winter; over the past two weeks they have begun installing prefabricated houses for an extended stay.

Throughout the American Zionist lobby there has been a positive response to the new Washington initiative and a mild criticism of Begin’s immediate rejection of the plan. While American Zionists appear to be backing Peres as the next Israeli Prime Minister, there are signs that Peres may be no less intransigent on negotiating the West Bank, Gaza and Jerusalem questions as Begin. Peres’s endorsement of the Reagan plan is an election ploy which is at odds with his actual policies.

The dead-end nature of the Reagan “peace” initiative

was cynically highlighted in an article in the Sept. 10 *Wall Street Journal* by Jack Kemp’s controller, Irving Kristol. Kristol argues that the entire “peace” initiative by Reagan, though not bad in the abstract, is doomed to fail, because the only visible option for the United States is to recognize that there is no “refugee” problem in the Middle East. The Palestinians displaced by several wars must simply be forced to settle in the existing Arab countries, he says. The Reagan administration is trying to overthrow Begin, Kristol says, with the illusion that Peres will be friendly to the Reagan initiative. But, he concludes, Peres will, if he comes to power, quickly be forced to disassociate himself from many aspects of the Reagan plan, angering the Arabs, and dooming the plan.

The Persian Gulf connection

The war in the Persian Gulf is now on the verge of a new escalation (see Mideast column) which threatens to affect territory outside the Iran-Iraq war zone. By London’s calculations, flare-ups on both sides of Saudi Arabia, in the Gulf and in Lebanon, will confirm the total failure of Washington as a mediator in the region and perhaps fatally weaken the two strongest allies of the United States, Saudi King Fahd and Egyptian President Hosni Mubarak. Thus London will find it easier to re-establish itself as the premier foreign power in the Mideast. Like Sharon, the Ayatollah Khomeini is acting to push the United States out of the Mideast.

An Arabist at the Brookings Institution who keeps day-to-day contact with British embassies in the Persian Gulf states told *EIR* that the unchecked spread of Khomeini’s fascist Islamic fundamentalism may find the most “fertile ground” in Egypt. The source affirmed that if Iraq fails to put down Khomeini, the “growing Islamic ferment in Egypt will sweep the secular government there away.”

Mubarak could slam financial ‘Open Door’

by Judith Wyer

For the second time in eight months, Egyptian President Hosni Mubarak this month shuffled his cabinet, replacing his economic ministers. The Sept. 1 cabinet shake-up affected seven ministries and followed a heated cabinet debate over the issues of cutting back state subsidies for food and other vital commodities and limiting certain food imports. Those ministers who were removed had argued in favor of the cuts